NEWS RELEASE

WILDBRAIN REPORTS Q2 2025 RESULTS

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Q2 Operational Highlights

- Strong growth in Global Licensing driven by our premium franchises Peanuts, Strawberry Shortcake and Teletubbies across multiple categories and territories.
- Advancing strategic goal of focusing and simplifying business with definitive agreement to sell a two-thirds stake in television broadcast business.

Q2 Financial Highlights[1]

- Revenue from continuing operations of $125.8 million, up 7% year over year. Revenue including discontinued operations of $133.1 million, up 5% year over year.
- Net loss from continuing operations was $69.1 million, compared with net income of $7.0 million in Q2 2024. Net loss including discontinued operations was $74.9 million, compared with net income of $5.0 million in Q2 2024.
- Adjusted EBITDA[2] from continuing operations of $22.3 million, up 11% year over year. Adjusted EBITDA including discontinued operations of $26.2 million, up 4% year over year.
- Cash provided by operating activities was $81.4 million, compared to cash used in operating activities of $35.0 million in Q2 2024.
- Free Cash Flow[3] was positive $49.3 million, compared to positive $5.4 million in Q2 2024.

TORONTO, Feb. 11, 2025 /CNW/ - WildBrain Ltd. ("WildBrain" or the "Company") (TSX: WILD), a global leader in kids' and family entertainment, today reported its second quarter ("Q2 2025") results for the period ended December 31, 2024.

Josh Scherba, WildBrain President and CEO, said: "In the second quarter, we announced a definitive agreement to sell a two-thirds stake in our television broadcast business to an independent, Canadian-owned children's studio. Not only is this transaction another step forward in simplifying and focusing our business, we expect it will permit us in due course to remove our variable voting structure, which will provide strategic flexibility going forward. Additionally, our ongoing focus on key franchises has led to strong returns this quarter, reflecting strong growth in Strawberry Shortcake and Teletubbies, as well as a record-high quarter in licensing revenues for Peanuts."

Nick Gawne, WildBrain CFO, added: "With the broad-based growth in our licensing business in Q2, underpinning our strong free cash flow generation, we continue to see a long runway for sustained growth as we continue to execute against our business priorities, improve our balance sheet and drive shareholder value."

Fiscal Year 2025 Outlook

The Company reaffirms its previously announced outlook for Fiscal Year 2025. We expect:

- Revenue growth including discontinued operations of approximately 10 to 15% and
- Adjusted EBITDA growth including discontinued operations of approximately 5 to 10%

We note that the close date of the WildBrain Television sale could have a material impact on our outlook. We continue to see strong underlying growth in our continuing operations in Global Licensing, AVOD, FAST and Media Solutions, as well as a return to growth in content production.

Q2 2025 Financial Highlights

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EBITDA Reconciliation	Three Months Ended					
(in millions of Cdn$)	December 31,					
	2024	2023	2024	2023	2024	2023
	Continuing Operations		Discontinued Operations WildBrain Television		Consolidated Results Including Discontinue Operations	
Revenue	$125.8	$117.6	$7.3	$8.7	$133.1	$126.3
Cost of Sale	$(66.6)	$(64.8)	$(2.1)	$(2.2)	$(68.8)	$(67.0)

Gross Margin	$59.1	$52.8	$5.2	$6.5	$64.3	$59.2
SG&A	$(25.2)	$(23.8)	$(1.2)	$(1.4)	$(26.4)	$(25.2)
Other income	$—	$—	$—	$—	$—	$—
Equity-settled share based compensation included in SG&A	$—	$—	$—	$—	$—	$—
Adjusted EBITDA	$33.9	$29.0	$4.0	$5.0	$37.9	$34.0
Portion of Adjusted EBITDA attributable to NCI	$(11.7)	$(8.8)	$—	$—	$(11.7)	$(8.8)
Adjusted EBITDA attributable to WildBrain	$22.3	$20.1	$4.0	$5.0	$26.2	$25.2

Q2 2025 Financial Highlights From Continuing Operations[1]

In Q2 2025, revenue increased 7% to $125.8 million, compared to $117.6 million in Q2 2024.

Global Licensing revenue increased 32% to $80.4 million in Q2 2025, compared to $60.9 million in Q2 2024. Revenue in the quarter was driven by strong growth in Peanuts, growth within our global licensing agency, WildBrain CPLG, as well as strong growth in WildBrain's owned brands, Strawberry Shortcake and Teletubbies. Global Licensing growth reflects management's actions to focus the business on higher growth opportunities, leveraging our platform to drive greater engagement which feeds through to consumer demand.

Content Creation and Audience Engagement revenue decreased 20% to $45.3 million in Q2 2025, compared to $56.7 million in Q2 2024. The decline in Q2 2025 revenue was driven by timing of distribution deals and live action production in this quarter versus the prior year period. Declines in production and distribution revenue were offset by continued strength in YouTube, Media Solutions and FAST as we are seeing increased engagement and better monetization on these platforms driven by our unique expertise and capabilities.

Gross margin for Q2 2025 was 47%, compared to gross margin of 45% in Q2 2024. Gross margin for Q2 2025 was $59.1 million, an increase of $6.4 million, compared to $52.8 million for Q2 2024.

Cash provided by operating activities in Q2 2025 was $81.4 million, compared to $35.0 million cash used in operating activities in Q2 2024. Free Cash Flow was positive $49.3 million in Q2 2025, compared with Free Cash Flow of positive $5.4 million in Q2 2024.

Adjusted EBITDA increased 11% to $22.3 million in Q2 2025, compared with $20.1 million in Q2 2024.

Q2 2025 net loss was $69.1 million compared to net income of $7.0 million in Q2 2024. The change was primarily driven by a non-cash impairment of investment in film and television and acquired and library content.

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1. The Company has classified the Canadian Television Broadcast business unit ("WildBrain Television") as held for sale in the quarter, and accordingly, has presented the historical results of the business unit as discontinued operations in accordance with IFRS 5: Non-current Assets Held for Sale and Discontinued Operations.

2. Free Cash Flow, Gross Margin, Adjusted EBITDA and Adjusted EBITDA attributable to WildBrain are non-GAAP financial measures - see below for further details.

3. Free Cash Flow is non-GAAP financial measures - see below for further details. Free Cash Flow includes discontinued operations.

Q2 2025 Conference Call

The Company will hold a conference call on February 12, 2025 at 10:00 a.m. ET to discuss the results.

To immediately join the call by phone on that date without operator assistance, please use the following URL to receive a toll-free automated instant call back connecting you into the conference:

https://emportal.ink/42bjloA

Alternatively, you may dial direct to be entered into the call by an operator, referencing conference ID 87552 at +1 888-510-2154 in North America (toll free) or +1 437-900-0527 internationally (tolls apply).

If dialing in, please allow 10 minutes to be connected to the conference call.

Replay will be available after the call on +1 (888) 660-6345 in North America (toll free) or +1 (289) 819-1450 internationally (tolls apply), under passcode 87552#, until February 19, 2025.

The audio and transcript will also be archived on our website approximately three business days following the event.

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About WildBrain

At WildBrain we inspire imaginations through the wonder of storytelling. As a leader in 360° franchise management, we are experts in content creation, audience engagement and global licensing, cultivating and growing love for our own and partner brands around the world. With approximately 14,000 half-hours of kids' and family content in our library—one of the world's most extensive—we are home to such treasured franchises as Peanuts, Teletubbies, Strawberry Shortcake, Yo Gabba Gabba!, Inspector Gadget and Degrassi. WildBrain's mission is to create exceptional entertainment experiences that captivate and delight fans both young and young at heart.

Our studios produce such award-winning series as The Snoopy Show; Snoopy in Space; Camp Snoopy; Strawberry Shortcake: Berry in the Big City; Sonic Prime; Chip and Potato; Teletubbies Let's Go! and many more. Enjoyed in more than 150 countries on over 500 platforms, our content is everywhere kids and families view entertainment, including YouTube, where our network has garnered over 1.5 trillion minutes of watch time. Our television group owns and operates some of Canada's most-loved family entertainment channels. WildBrain CPLG, our leading consumer-products and location-based entertainment agency, represents our owned and partner properties in every major territory worldwide.

WildBrain is headquartered in Canada with offices worldwide and trades on the Toronto Stock Exchange (TSX: WILD). Visit us at wildbrain.com.

Forward-Looking Statements

This press release may contain forward-looking information within the meaning of applicable securities legislation, which reflects WildBrain's current assumptions and expectations regarding future events as at the time they are made. The words "will", "expects", "anticipates", "believes", "plans", "intends" and similar expressions are often intended to identify forward-looking information, although not all forward-looking information contains these identifying words. Although the Company believes that the assumptions and factors used in preparing, and the expectations contained in, the forward-looking information and statements are reasonable, undue reliance should not be placed on such information and statements, and no assurance or guarantee can be given that such forward-looking information and statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information and statements. Forward-looking information is based on a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond

WildBrain's control, which could cause actual results and events to differ materially from those that are disclosed in or implied by such forward-looking information. Such risks and uncertainties include but are not limited to: changes in general economic, business and political conditions. WildBrain undertakes no obligation to update such forward-looking information, whether as a result of new information, future events or otherwise, except as expressly required by applicable law.

Non-IFRS Measures

In addition to the results reported in accordance with IFRS as issued by the International Accounting Standards Board, the Company uses various non-GAAP financial measures, which are not recognized under IFRS, as supplemental indicators of our operating performance and financial position. These non-GAAP financial measures are provided to enhance the user's understanding of our historical and current financial performance and our prospects for the future. Management believes that these measures provide useful information in that they exclude amounts that are not indicative of our core operating results and ongoing operations and provide a consistent basis for comparison between periods. The following discussion explains the Company's use of certain non-GAAP financial measures, which are Adjusted EBITDA, Adjusted EBITDA attributable to the Shareholders of the Company, Gross Margin and Free Cash Flow.

Investors are cautioned that these non-GAAP financial measures should not be construed as an alternative measure to net income or loss, or other measures as determined in accordance with GAAP, or as an indicator of the Company's financial performance or a measure of liquidity and cash flows.

"Adjusted EBITDA" means earnings (loss) before net finance costs, income taxes, amortization of property & equipment and right-of-use and intangible assets, amortization of acquired and library content, equity-settled share-based compensation expense, changes in fair value of embedded derivatives, gain/loss on foreign exchange, reorganization, development and other expenses, impairment of certain investments in film and television programs/acquired and library content/P&E/intangible assets/goodwill, and also includes adjustments for other identified charges, as specified in the accompanying tables. Adjusted EBITDA is not an earnings measure recognized by GAAP and does not have a standardized meaning prescribed by GAAP; accordingly, Adjusted EBITDA may not be comparable to similar measures presented by other issuers. Management believes that certain lenders, investors and analysts use Adjusted EBITDA to measure a company's ability to service debt and meet other payment obligations, and as a common valuation measurement in the media and entertainment industry. Further, certain of our debt covenants use Adjusted EBITDA in the calculation. The most comparable GAAP measure is earnings before income taxes.

"Adjusted EBITDA attributable to the Shareholders of the Company" means Adjusted EBITDA excluding the portion of Adjusted EBITDA attributable to non-controlling interests.

"Gross Margin" means revenue less direct production costs and expense of film and television produced. Gross Margin is not an earnings measure recognized by GAAP and does not have a standardized meaning prescribed by GAAP; accordingly, Gross Margin may not be comparable to similar measures presented by other issuers. Management believes Gross Margin is a useful measure of profitability before considering operating and other expenses and can be used to assess the Company's ability to generate positive net earnings and cash flows. The most comparable GAAP measure is gross profit.

"Free Cash Flow" means operating cash flow less distributions to non-controlling interests, changes in interim production financing, cash interest paid on our long-term debt, bank indebtedness, and lease liabilities, and principal repayments on our lease liabilities. Free Cash Flow does not have a standardized meaning prescribed by GAAP; accordingly, Free Cash Flow may not be comparable to similar measures presented by other issuers. Management believes Free Cash Flow is a useful measure of the Company's ability to repay debt, finance strategic business acquisitions and investments, pay dividends, and repurchase shares. The most comparable GAAP measure is cash from operating activities.

SOURCE WildBrain Ltd.